

COMMISSIONERS

Lea Márquez Peterson - Chairwoman
Sandra D. Kennedy
Justin Olson
Anna Tovar
Jim O'Connor



LEA MÁRQUEZ PETERSON
CHAIRWOMAN

(602) 542-3625 office
(602) 463-3814 mobile
LMárquezPeterson-Web@azcc.gov

ARIZONA CORPORATION COMMISSION
OFFICE OF CHAIRWOMAN LEA MÁRQUEZ PETERSON

February 25, 2022

RE: In the Matter of Impact of the Closures of Fossil-Based Generation Plant on Impacted Communities. (Docket No. E-00000A-21-0010)

All Interested Stakeholders:

At the Arizona Corporation Commission's Regular Open Meeting on February 8, 2022, I expressed some of my hopes and expectations regarding the above-captioned matter. I further stated that I would place my comments in the docket so everyone would have an opportunity to review them at their convenience.

It should be emphasized that as public utility commissioners, the protection of Arizona ratepayers, families, and businesses must be prioritized above all else. In Section I of this letter, I express some of my general thoughts and concerns. Additionally, in Section II of this letter, you can find my written expectations for this docket. These focus on the minimum requirements I believe are necessary to demonstrate how ratepayers should be responsible for providing a just and equitable transition and to determine the formula that should be used to quantify the amount that ratepayers should be responsible for.

I. General Thoughts & Concerns

A. Sovereignty & Consent

I support both the natural transition to clean energy when cost-effective for ratepayers and safe and reliable for the grid,¹ and I support the local jobs, economies and sovereignty and independence of our Arizona coal-impacted communities. Unfortunately, I have found the rhetoric of many special interest groups to be unconstructive toward our efforts to make progress at the Commission.

For many years, special interests of which many have been non-governmental organizations and environmental groups who do not live in Arizona have demanded Arizona ratepayers transition their respective energy mix to clean energy, regardless of the cost to Arizona families or whether Arizona ratepayers wanted to be a part of that transition or not.

Likewise, many of the same special interests that have sought to impose their will on Arizona ratepayers have demanded coal-impacted communities in our state retire their coal resources early, regardless of the potential economic impacts that families living in those communities could face or whether such communities wanted to retire their coal resources early or not.

¹ <https://www.azcc.gov/lmarquezpeterson/policy-statement>; https://www.azcc.gov/docs/default-source/lea-marquez-peterson-files/chairwoman-imp-policy-statement-on-clean-energy.pdf?sfvrsn=bbe0a268_3.

1200 WEST WASHINGTON STREET; PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET; TUCSON, ARIZONA 85701

www.azcc.gov



From my experience, when such special interest groups have been unsuccessful at forcing Arizona ratepayers and coal-impacted communities to change through direct means such as the ballot box or in local public forums, they have sought indirect means such as advocating at the Commission, where they have demanded commissioners force Arizona ratepayers and coal-impacted communities to change through policy and ratemaking. I believe their methods have done more to harm coal-impacted communities than any other stakeholder in Arizona, and they should be ashamed.

As an Arizona ratepayer, I empathize with coal-impacted communities and believe that they and Arizona ratepayers have both experienced unfair and often unrelenting treatment from people telling us what we should or should not be doing with our natural resources and energy mixes.

Supporting low-carbon and carbon-reducing alternatives such as carbon capture and sequestration, natural gas or biomass conversion, and selective catalytic reduction technology are possible ways of moving forward with a clean energy transition while preserving the local jobs and economies of our coal-impacted community. These alternatives are consistent with a technology-agnostic approach and would not force coal-impacted communities to retire their sovereign resources sooner than such communities are ready or force ratepayers to pay more than the cost of service for the safe and reliable power they receive.

We, as a Commission, should not attempt to work around or circumvent the duly elected representatives of coal-impacted communities or seek to undermine through our policies and procedures the democratic processes and procedures that have been put in place in sovereign nations. Nor should we assume that all coal-impacted communities or participants in this docket share the same vision for a clean energy future or seek the same outcome with respect to the use of their coal resources, if, for example, like the Navajo Nation, members of such communities or the communities themselves own or have a vested financial or sovereign interest in such resources.

As a citizen, I believe coal-impacted communities who have served our state's economy safely and reliably over the years should receive as much assistance as possible from the parties responsible for forced or unplanned retirements as such communities prepare to transition their respective economies away from traditional fossil-fuels toward a cleaner and less carbon-intensive energy future.

As Chair of the Arizona Corporation Commission however, I must also ensure that any actions the Commission considers or proposes with respect to assisting coal-impacted communities fall squarely within the Commission's jurisdiction, are supported by substantial evidence, and protect ratepayers from the incurrence of any voluntary and avoidable costs. Every decision the Commission issues must be based on substantial evidence—especially when ratepayer funds are involved—or else all time and efforts will be in vain.

From my understanding of the Commission's jurisdiction, we can lend aid through our legislative liaison and work collaboratively with interested parties to lobby the appropriate bodies for additional financial assistance. We can provide regulatory assistance and help to cut red tape that may be getting in the way of economic development, such as with the permitting of new clean energy resources. Additionally, we can provide legal support and encourage our regulated utilities to support the tribes in litigation as they pursue lawsuits against the appropriate defendants in civil court. But, when it comes to assistance in the



form of direct disbursements of ratepayer funds to non-ratepayers, the Commission's legal and jurisdictional abilities are far less clear.

B. Ratepayer Responsibility

Determining "who" is responsible for paying the costs of an economic transition or for compensating a coal-impacted community for the harms that they may have suffered as a result of coal mining or burning will be essential to determining the scope of the Commission's authority.

Ratepayers and utilities do not share the same responsibilities, nor is the Commission's jurisdiction over ratepayers and utilities the same. If ratepayers are responsible for the disparate impacts that communities have faced as a result of coal, then the direct disbursement of ratepayer funds to coal-impacted communities may be appropriate; but if utilities are responsible for such impacts, then the Commission's authority is extremely limited; the Commission cannot compel a utility to spend shareholder funds.

I understand Arizona's coal-impacted communities have suffered a plethora of negative externalities from many actors since the early 1960s, including Peabody Energy, the federal government, and electric utilities (both for-profit and not-for-profit) across multiple states (including New Mexico, California, Utah, and Nevada). This may include the mining and burning of coal, the consumption and pollution of water resources, and the degradation of land and natural resources at an unfair price to the communities whose land such resources were taken from, among other impacts.

However, it is unresolved in Arizona whether the Commission has the legal authority to deem *ratepayers* financially liable for the past harms or make ratepayers *internalize* the costs associated with such externalities or harms into rates, such as compensating the Navajo Nation or Hopi Tribe for the potential harms associated with the Black Mesa Peabody Coal controversy.²

It is also unresolved in Arizona whether the Commission can make ratepayers pay for the loss of jobs or tax revenues that almost all communities in the United States will eventually face when a major employer leaves an area. Many cities and towns across the United States have collapsed economically after major employers departed. Arizona is not immune. Thousands of Arizonans lost their jobs when Motorola left the state in the late 1990s and early 2000s. Our state was essentially founded on boom-and-bust mining towns, many of which are ghost towns today.

Asking the Commission and, moreover, *ratepayers*, to serve as the de facto vehicle for social justice, party for civil damages, or a safety net for economic security puts the Commission at substantial risk of legal challenge and the defensibility of any decision it issues on the matter in serious legal jeopardy.

It also sets a dangerous and potentially expensive precedent for Arizona ratepayers because ratepayers have been "benefiting" from "inexpensive" and "reliable" electricity from fossil-fuel-based power plants operating in more locations than just the relevant coal-impacted communities at issue in this docket.

Finally, I do not presume that the proponents of direct disbursement of ratepayer funds intend to insinuate that the Commission, in performing its duty to set just and reasonable rates over the last 60 years, failed to make ratepayers pay *enough* for the safe and reliable service they received. To the best of

² https://en.wikipedia.org/wiki/Black_Mesa_Peabody_Coal_controversy.



my knowledge, no coal-impacted community, special interest group, or other participant in this generic docket or any of the proceedings leading up to its creation have argued that the rates the Commission set in in any of its previous rate case decisions between the 1960s and the present day were *unjust or unreasonable*; that ratepayers over the last 60 years have been *underpaying* for the safe and reliable service that they have been receiving; or that the rates the Commission set in each of the rate cases between then and now should have been *higher*, including the two rate *decreases* that occurred for APS in 1994 and 1996.

And, certainly, proponents who understand the Commission's prudency review process also do not intend to suggest that utilities should have knowingly chosen a *more expensive* location to build and operate their power plants and that, as a result, utilities should have knowingly incurred higher costs for ratepayers, considering all relevant potentially lower-cost options and locations that were available at the time. Thus, I do not believe proponents are arguing that ratepayers have a *cost-of-service* responsibility to fund coal-impacted communities' economic transition away from coal.

For the reasons stated above, I believe it is absolutely imperative that the Commission get its jurisdiction and evidentiary support correct before contemplating any action that regards ratepayer funds. To help me square these jurisdictional and evidentiary issues, much information will need to be gathered and reviewed and many questions will need to be answered.

I believe the opening and prioritization of this docket is indicative of the Commission's desire to gather all the answers it needs to assist coal-impacted communities as they prepare to transition their respective economies away from traditional fossil-fuels and welcome future clean energy developers.

II. Hopes & Expectations

With the prioritization of this docket, it is my hope that we cut through the noise created by special interests, work collaboratively with coal-impacted communities and all entities and jurisdictions that may be responsible for the economic impacts such communities have faced and will continue to face in the future, and find answers that help us reach a mutually agreeable solution for a just and equitable transition moving forward.

To do this, I need to see openness, honesty, and transparency from all interested stakeholders involved as we seek to understand all of the events and entities that are or should be responsible for bringing us to the point where we are today.

To ensure first and foremost that I am continuing to protect Arizona *ratepayers* in all actions that I take at the Commission, collaboration and cooperation will be essential to my continued support in this endeavor. For me to be convinced that Arizona ratepayers are responsible for past harms or owe a duty to coal-impacted communities in their future economic transitions, I will need to see substantial evidence demonstrating specifically *how* ratepayers are responsible, as well as how the amounts that ratepayers should be responsible for should be *calculated*. In other words, for me, the responsibility and the amount are tied—and both must be supported by substantial evidence.

Importantly, like the total societal test the Commission uses when considering the positive and negative externalities of various utility decisions in other contexts, I believe the formulas stakeholders propose



must consider not only the total societal costs and negative externalities that coal-impacted communities incurred over the years or may continue to incur, but also the total societal benefits and positive externalities that such communities have received or may continue to benefit from over the same period.

Accordingly, I would like all interested stakeholders to submit comments describing the way they believe the Commission should quantify the amount that *ratepayers* should be responsible for (in comparison to the amount other possible entities should be responsible for). To support the formula, I would like to see the following:

1. A complete accounting of both the benefits and impacts to coal-impacted communities, which should include not only all total societal costs and negative externalities, but also all total societal benefits and positive externalities;
2. Unredacted copies of all contracts and agreements that benefitted coal-impacted communities financially, including but not limited to unredacted copies of all land leases, royalties, and other monies that have been paid;
3. Unredacted copies of all settlement agreements, damages, and awards that have been reached or achieved as a result of litigation pertaining to coal-impacted communities, water rights, mineral rights, or the Black Mesa Peabody Coal controversy, including but not limited to unredacted copies of the dollar amounts reached;
4. A complete accounting of how, exactly, ratepayers have “benefitted” over the years (more than they were supposed to) and/or should be responsible (going forward) for the cost of transitioning a coal-impacted community’s economy;
5. Identification of all entities and reasons responsible for the forced or unplanned retirement of each relevant coal-fired power plant, as well as of all entities that advocated for and against each closure and the reasons for their positions; and
6. A summary of the respective roles and responsibilities that each entity involved in coal-impacted communities (such as the Navajo Tribal Utility Authority, Navajo Transitional Energy Company, and Peabody Energy, etc.) has or should have in the economic transitions of such communities or in the obligation to provide electrification and safe and reliable power to such communities.

In addition, I would like the authorized representative of each coal-impacted community, as well as all individuals who have knowledge of the facts, to address the issues raised in the docket on December 6, 2021,³ and February 16, 2022.⁴

In Attachment A, I have provided additional questions that have come to my mind since this issue was presented. While I do not expect answers to each of these questions, I do want to provide them so all interested stakeholders have an opportunity to see the questions that I believe are important to move

³ <https://docket.images.azcc.gov/E000016927.pdf?i=1645057943873>.

⁴ <https://docket.images.azcc.gov/E000017930.pdf?i=1645057943873>.



forward. I would appreciate the opportunity to see responses to these questions from the duly elected representatives of coal-impacted communities.

If Staff determines that there is sufficient evidence to demonstrate that ratepayer funds are appropriate and to support a formula for quantifying the amount, then, I need to know exactly *how* such funds will be disbursed and *how* the recipients can be held *accountable* to the Commission and ratepayers for such disbursement. Prior to approval, I will need to see at least the following:

1. **A *plan* demonstrating, at a minimum, the following:**
 - a. **how ratepayer funds will be used; and**
 - b. **how each recipients' respective political subdivisions (i.e., councilmember districts, divisions, planning & zoning committees, chapters, villages, etc.) will support the plan and any permits, zoning changes, or right of ways, etc., necessary to help facilitate a transition to clean energy;**
2. **A single entity who will be *leading* and administering that plan;**
3. **Sufficient voluntary legal and/or contractual *assent* on the part of all relevant recipients to *hold* themselves *accountable* to the Commission and ratepayers and *bind* themselves to that plan;⁵ and**
4. ***Protections* that ensure ratepayers funds can only be used for land and residents of Arizona.⁶**

Thank you for the opportunity to express my thoughts and expectations for this matter. I look forward to receiving the requested information and working collaboratively as we seek to move forward with our consenting coal-impacted communities toward a clean energy transition future together.

Sincerely,

Lea Márquez Peterson
Chairwoman



[Additional questions attached]

⁵ Such as voluntary assent to the following: Ariz. Const. art. XV, § 4 "power to inspect & investigate" and § 13 "reports to Commission;" Ariz. Rev. Stat. § 40-204 "reports to Commission," § 40-221 "power to prescribe system of accounts," § 40-241 "power to examine records & personnel," § 40-242 "production of records," § 40-244 "administration of oaths," and § 40-421 "enforcement of laws;" and any other constitutional or statutory provision the Commission may deem necessary to ensure accountability.

⁶ Similar to New Mexico and Utah.



Attachment A

Chairwoman Lea Márquez Peterson's Questions for Coal-Impacted Communities

To respect the sovereignty and consent of coal-impacted communities, the following questions are intended only for the lawfully designated governmental leaders or representatives of coal-impacted communities in Arizona, such as the presidents and councils of the Navajo Nation and Hopi Tribe, the boards of supervisors for Navajo and Apache Counties, and the mayors and councils of the towns of St. Johns, Eagar, Springerville, and Holbrook. While I do not expect direct answers to every question, I do believe having an opportunity to review general responses would be helpful in my deliberations as I evaluate the reasonableness, public interest, and evidentiary support for direct disbursement of ratepayer funds to coal-impacted communities in Arizona. Thank you in advance for your time and attention in reviewing these questions and for providing a general response to the best of your ability.

Questions Regarding the Potential to Develop Clean Energy On or Near Coal-Impacted Communities

1. What unique strengths do your coal-impacted communities have to offer in the transition to clean energy? Do any of those strengths include the possibility of siting and permitting future clean energy resources (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) in or near their communities?
2. What are the clean energy resources (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) that your coal-impacted communities can provide both for themselves and Arizona ratepayers in the transition to a clean energy economy?
3. What are some of the rare earth mineral and metal mining opportunities that your coal-impacted communities have to offer to assist clean energy manufacturers and developers in the transition to clean energy (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage)?
4. What are some of the internal challenges and barriers to adopting or deploying clean energy resources (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) in or around your coal-impacted communities? Please explain, for example, barriers such as challenges accessing financing, lack of government resources or expertise, or concerns from members of your coal-impacted communities who oppose the siting of clean energy resources (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) in or near their communities.
5. Do your coal-impacted communities believe that clean energy resources (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) can help to attract business investment, provide jobs, promote local electrification, and help to recover economic losses? Which of these purported outcomes do your coal-impacted communities believe clean energy resources (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) can provide for it?



6. How do members of your coal-impacted communities feel about seeing fields of solar panels or large windmills in or near their communities? Do they feel comfortable with the potential land and visual impacts, if they help to transition your coal-impacted communities away from coal? Please explain.
7. Do you believe the price that clean energy developers (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) are willing to pay for land, water, or natural resources influences the way members of coal-impacted communities feel about the potential land and visual impacts of clean energy projects in or near their communities? Please explain.

Questions Related to Perceptions of “Cheap” & “Inexpensive” Land, Water, & Natural Resources and the Potential Past & Future Harms & Impacts of the Energy Industry & Developers

8. What aspects of Arizona ratepayers “benefiting” from “cheap”, “inexpensive” power do your coal-impacted communities believe make such “benefit” unfair or unjust? Please explain.
9. How will repurposing and transitioning your coal-impacted communities’ land and water use away from coal, toward clean energy resources (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) assist your community? Do your coal-impacted communities believe such transition will result in energy and economic independence and resiliency? Please explain.
10. Have any of your coal-impacted communities expressed concerns that the pursuit of clean energy (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) on or near their land could result in overconsumption, social injustice, or big businesses seeking to take advantage of rural, underserved, disadvantaged communities? Please explain.

Questions Regarding Sovereignty & Consent - Your Economic Plans for the Future & the Plans your Coal-Impacted Communities Have Developed for Themselves

11. What are the economic plans or future economies that your coal-impacted communities would like to chart for themselves?
12. What are your coal-impacted communities’ thoughts and positions on using clean energy development (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) as an alternative economic driver to fossil fuels (such as coal)? Do they see the development of clean energy projects on or near their communities as having the potential to provide mutual benefits to them, clean energy developers, Arizona ratepayers, and the Arizona economy as a whole?
13. What are your coal-impacted communities’ thoughts and positions on the potential of “losing out” on clean energy investments (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) to other states or communities? Do they want new jobs and sources of economic income as a part of the transition to clean energy (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage), or do they simply want out of coal? Please



explain.

14. How do non-energy related investments or infrastructure improvements in your coal-impacted communities, such as broadband deployment, drinking water, road access, or cell phone service, allow your coal-impacted communities to participate in a future zero-emission economy?
15. With respect to all existing/legacy coal resources and facilities located in or near your coal-impacted communities, would your coal-impacted communities prefer to repurpose such resources and facilities or would they prefer to eliminate them altogether? Please explain.
16. What do you believe the role of third-party non-governmental organizations and/or environmental groups (and/or their donors) has been with respect to upholding or undermining your coal-impacted communities' sovereignty and consent with respect to participating in a clean energy transition? Did your coal-impacted communities consent to third-party non-governmental organizations and/or environmental groups (and/or their donors) advocating on their behalf on matters related to transitioning their economies away from fossil fuel resources (such as coal) to clean energy resources (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage)? Please explain.

Questions Regarding Sovereignty & Consent - Your Position on Decisions that have Resulted in the Forced or Unplanned Early Retirement of Resources that Your Coal-Impacted Communities Depend on for Jobs & Economic Support; Opportunity to Speak on Your Own Behalf

17. What role or responsibility do you believe third-party non-governmental organizations and/or environmental groups (and/or their donors) have had in creating the economic situation and challenges your coal-impacted communities are facing today, with respect to the forced or unplanned early retirement of coal resources?
18. Have any third-party non-governmental organizations and/or environmental groups (and/or their donors) that advocated for or supported the forced or unplanned early retirement of a coal resource provided or offered to provide your coal-impacted communities any financial assistance or support as a result or in recognition of their advocacy? How much money have they provided or offered to provide to-date?
19. The Arizona Technology Council and CERES have stated that companies such as Google, Microsoft, and Apple want Arizona to transition to clean energy at a faster pace, which would retire the forced or unplanned early retirement of many of the coal resources that your coal-impacted communities depend on for economic support and income; have any of the big tech companies or other corporate entities that have adopted clean or sustainability goals for themselves offered to support your coal-impacted communities through the financial impacts of forced or unplanned early coal retirements or otherwise paid or offered to pay for the costs associated with a just and equitable transition? If so, please state how much they have offered to pay or have paid.



- 20. Why do you believe conversations regarding an energy or economic transition for your coal-impacted communities have been occurring in some cases only after a coal resource was forcibly or unexpectedly retired, rather than proactively and many years in advance?**

Questions Regarding Sovereignty & Consent - Your Ability to Represent Your Constituents, Participate Fully, & Speak with One Voice on Matters Impacting Your Communities

- 21. What is the current retirement planning and stakeholder consultation process for the retirement of existing/legacy coal resources located on or near your coal-impacted communities?**
- 22. What is the current project planning and stakeholder consultation process for clean energy projects (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) located or intended to be located on or near your coal-impacted communities?**
- 23. How could the current project planning and stakeholder consultation process for clean energy projects (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) be improved for projects intended to be located on or near your coal-impacted communities?**
- 24. To what extent do you believe direct, unsolicited engagement with or by any and all members of your coal-impacted communities in Commission, utility, and clean energy developer (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) decisions might contradict or otherwise undermine your coal-impacted communities' ability to speak with "one voice" on issues related to or impacting their economic or energy future?**
- 25. When it comes to upholding and respecting the sovereignty and consent of your coal-impacted communities, do you believe third-party non-governmental organizations and/or environmental groups (and/or their donors) should respect and defer to your official judgment regarding the best way you or members of your coal-impacted communities engage or participate in Commission, utility, and clean energy developer (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) decision-making processes? Please explain.**

Questions Regarding Sovereignty & Consent - Your Individual Property Rights & Plans to Utilize Coal Resources You Own

- 26. Do you or your coal-impacted communities own any coal resources? If so, please disclose the coal resources and the percent of shares or ownership.**
- 27. Do you or your coal-impacted communities plan on continuing to use their coal resources into the future, including during a clean energy transition or while other communities are transitioning away from coal? How do you plan to use the resource? For how long into the future do your coal-impacted communities plan on using their coal resources?**
- 28. What third-parties or entities have historically been or continue to be adversarial to your ownership and use of those coal resources? Please identify the parties or entities and the**



positions they have taken in decision-making processes that were adversarial to your sovereign interests and consent.

Questions Related to Accountability & Responsibility - Planning for the Future & an Economic Transition

29. How many members of your coal-impacted communities are reliant on a single industry or a single set of employers?
30. For how long have your coal-impacted communities been reliant on a single industry or a single set of employers?
31. What steps have your coal-impacted communities taken to diversify their economies and/or transition away from being dependent on a single employer or industry?
32. When did utilities first inform you or the leaders of your coal-impacted communities that the relevant coal resources might close or retire early? Please provide all dates or years, if known. Also, please provide the name of the elected officials, representatives, or leaders that the utilities provided this information to.
33. What steps have your coal-impacted communities taken to adapt to the energy transition, build out capacity for new energy projects (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage), and become and help other communities become more resilient to climate change?
34. What portion of funds from past royalties, land leases, and other sources of income and economic support from the energy industry have you or your coal-impacted communities used or set aside for a future economic transition, to help plan for a future clean energy strategy, or to help attract future clean energy developers (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage)? What is the dollar amount of those funds and for what purposes were they set aside or otherwise how were they used?
35. If you knew the revenue from coal resources represented or constituted a significant portion of your coal-impacted communities' annual budgets, would you knowingly advocate for or support the forced or unplanned early retirement of the coal resources or supported or allowed a third-party non-governmental organization and/or environmental group (and/or its donors) to advocate for or support its forced or unplanned early retirement on your behalf?
36. Specific to the Navajo Nation and Hopi Tribe: if revenue from the Navajo Generating Station represented or constituted as much as 23% to 80%, respectively, of your respective budgets, why did members of your coal-impacted communities advocate for, or allow third-party non-governmental organizations and/or environmental groups (and/or their donors) to demand the early retirement of the Navajo Generating Station?
37. Specific to the Navajo Nation and Hopi Tribe: Have the issues surrounding the Black Mesa Peabody Coal controversy been litigated? Please explain why or why not. If they have been



litigated, what were the outcomes? Please provide copies of any court decisions and financial awards that were granted as a result of any litigation.

Questions Related to Accountability & Responsibility - Electrification & Electric Reliability & Independence

38. Specific to the Navajo Nation: What is the Navajo Tribal Utility Authority's ("NTUA's") responsibility to provide local electrification and full access to electricity, including electric reliability and resiliency at affordable rates, to all Navajo residents?
39. Specific to the Navajo Nation: What is NTUA's responsibility to provide the transmission and distribution infrastructure and system upgrades necessary to allow off-grid coal-impacted communities and areas to interconnect to the grid and both receive and potentially generate electricity—as well as to support future energy projects (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage)?
40. Specific to the Navajo Nation: What is NTUA's responsibility to provide microgrids and energy storage for coal-impacted communities where grid expansion is not feasible?

Questions Relation to Potential Solutions & Approaches

41. What is the appropriate entity, branch of government, or state agency that you believe should lead, coordinate, and execute or oversee a just and equitable transition framework and plan?
42. Who do you believe should lead on a coal-impacted community's planning and investments in an economic or energy transition? The state government? Utilities? Clean energy developers (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage)? Third-party non-governmental organizations and/or environmental groups (and/or their donors)? The Commission? Ratepayers? Or the coal-impacted communities themselves?
43. Do your coal-impacted communities believe that providing a just and equitable transition is a statewide issue and that the Legislature and/or Governor should direct state/taxpayer resources to them to provide a just and equitable transition? Please explain.
44. What are your coal-impacted communities' thoughts and positions of the Arizona Legislature pursuing a just and equitable transition financial support package?
45. What financial aid or resources are coal-impacted communities located in other states (such as West Virginia or Wyoming) receiving from or being offered by their legislatures or governors for a just and equitable transition? What financial resources have proponents in this docket advocated for coal-impacted communities in those states?
46. How similar or different should the Commission's approach to your coal-impacted communities be to the approaches considered, proposed, or adopted for coal-impacted communities in other states (such as West Virginia or Wyoming)?



47. How might establishing minimum requirements for the early retirement of coal resources (such as that utilities must develop transition plans before they can retire a coal plant) serve as a disincentive to utilities to retire such resources early or otherwise delay a faster transition to clean energy?
48. Do you believe preferential treatment in utility all-source request for proposals process (in favor of bids and resources located or sited in or near coal-impacted communities) is sufficient to alleviate concerns that your coal-impacted communities would “lose out” or be “left behind” in a transition to clean energy or that clean energy developers (such as wind, solar, geothermal, biomass, hydrogen, or pumped hydro storage) would not select coal-impacted communities as the future sites for providing jobs and future economic support? Please explain.
49. Are your coal-impacted communities willing to consent to Arizona Corporation Commission jurisdiction with respect to the disbursement of ratepayer funds and the review of books and records?